

FINANCIAL FRINGE BENEFITS PREFERRED BY PUBLIC SCHOOL
TEACHERS IN STORY COUNTY, IOWA

A Field Report
Presented to
The School of Graduate Studies
Drake University

In Partial Fulfillment
of the Requirements for the Degree
Master of Science in Education

by
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May 1970

1970
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CHAPTER I

INTRODUCTION

Fringe benefits are becoming an important part of employee compensation in most all occupations. The United States Chamber of Commerce recently conducted a survey of payroll expenses. Of the firms surveyed, 24.7 per cent of the 1966 and 1967 payroll expenses was to pay for fringe benefits.¹

Traditionally, educators have not been provided the fringe benefits offered other occupations. However, today many school districts are strongly emphasizing their fringe benefits in recruiting personnel.

The school districts are aware they must compete for well qualified people with other school districts and other employing agencies also.

As Lieberman points out, any assessment of the economic status of teachers must take into account the various factors that affect this economic status.² When comparing prospective employers, teachers must evaluate the fringe

¹National Education Association, "Negotiating Fringe Benefits," Guidelines, Division of Field Services and Association of Classroom Teachers (Washington, D. C.: The Association, 1969), p. 1.

²Myron Lieberman and Michael H. Moskow, Collective Negotiations for Teachers (Chicago: Rand McNally and Company, 1966).

benefits program as well as the salary schedules. Employees will often find that the advantages of fringe benefits will make them as important as salaries. The employee not only receives the cost of the fringe benefit, but also saves the income tax he would have to pay if he were to receive an amount equal to the cost of the benefit in salary.

Employees are receiving many services, insurance programs, and other benefits that they could not afford to buy individually from their own salary. The reason for this is the lower cost available when purchasing through group plans.

I. THE PROBLEM

Statement of the problem. The purpose of this study was to determine what types of fringe benefits are preferred by the public school teachers of Story County, Iowa, what kinds of fringe benefits do teachers think they need to enhance their welfare, and give them financial security.

Importance of the study. Fringe benefits can affect the health, morale, and competence of employees. Kindred concludes from research done in industry, that when the worker feels that his employer is genuinely interested in his problems, his future, and his well-being, he is more

likely to be a high producer.¹

Although fringe benefits have spread rapidly in industry, teachers do not typically have these economic benefits.²

School district boards of education realize the effect financial security can have on their employees. Fringe benefits also help to meet the teachers requests for more income without the attention and public opposition that often comes with an increase in salary. However, what types of fringe benefits would be most beneficial to teachers?

This study is intended to aid teacher representative salary committees and also boards of education in resolving what fringe benefits should be offered to teachers.

Limitations of the study. This study was limited to the following nine public school districts located principally in Story County: Ames Community, Ballard Community, Collins Community, Colo Community, Gilbert Community, Maxwell Community, Nesco Community, Nevada Community, and Roland-Story Community. Portions of these districts also extend into Hamilton, Hardin, Marshall, Jasper, Polk and

¹Leslie W. Kindred and Prince B. Woodard, Staff Welfare Practices in the Public Schools, The Center for Applied Research in Education (Washington, D. C.: National Education Association, 1963), p. 4.

²Lieberman and Moskow, op. cit., p. 27.

Boone County.

The Story County school districts have a range in their number of teachers from a twenty teacher district to a 340 teacher district. The writer believes these districts are representative of other districts in the state of Iowa and inferences from this study could be drawn in relation to other counties and school systems within the state.

II. DEFINITIONS OF TERMS USED

Fringe benefits. A form of non-salary compensation earned by the employee. For the purpose of this study, fringe benefits shall be defined as the non-wage payments furnished at the expense of the employer to purchase services for his group of employees which usually take the form of insurance programs, leaves of absence, and reimbursement for professional study and travel.

Factors such as class size, free time for planning during the day, teacher aides, procedure for professional negotiations, and procedure for grievances are considered working conditions and are not fringe benefits.

Public school teachers. The sample for this study was drawn from classroom teachers and other school employees certified by the State Department of Public Instruction with the exception of school administrators.

III. PROCEDURE

From a review of the pertinent literature, a questionnaire incorporating various types of fringe benefits was developed. This instrument was open-ended to provide for additional listings. The questionnaire was submitted to a group of twenty-eight elementary and secondary teachers for validation. After validation, a final questionnaire was developed. This questionnaire was mailed to a sample of the population of public school teachers in Story County, Iowa. An alphabetical list of the Story County teachers was obtained from the Story County Superintendent of Schools. Every third teacher was selected to receive a questionnaire. The number of instruments mailed was 228. Of these, 155 were returned; a 68 per cent return. A cover letter explaining the reason for the study and a self-addressed envelope were included.

The information from the questionnaire was tabulated, and the data analyzed. The study was summarized and conclusions drawn. Recommendations were made, based on the conclusions reached from analyzing the study.

CHAPTER II

REVIEW OF THE LITERATURE

Employee fringe benefits today cost the employer an average of 26 per cent of his total payroll expense.¹

Expressed in dollars, the average employer is presently spending \$1,500 to \$1,600 per year, per employee for fringe benefits.²

Since 1955, wages in industry have risen 51 per cent, while fringe benefits have risen 83 per cent.³ Because of this rapid rise in fringe benefits, the teaching profession has focused much attention on this area recently.

Fringe benefits becoming available to many teachers today include group life, health, accident, hospital and surgical insurance. Sick leave with pay, pension plans and sabbatical leave are also becoming more available.⁴

Howard lists some of the more uncommon benefits actually granted to teachers:

¹George C. Faust, Jr., "The Total Approach Concept," The Total Approach to Employee Benefits, ed. Arthur J. Devine, American Management Association Inc., (New York: The Association, 1967), p. 10.

²"Fringe Benefits Now Rising Twice as Fast as Wages," Nations Business, LIV (August, 1966), 51.

³Faust, op. cit., p. 101.

⁴Alvin W. Howard, "Salaries Are Not Enough - Fringe Benefits Also Count," The Clearing House, XL (May, 1966), 526.

Clothing allowances; suggestion awards; payment of moving costs; tuition for self-improvement; paid membership in professional organizations, locating housing or furnishing low cost or rent-free housing; professional service at little or no cost; subscription to professional magazines, travel to professional meetings, use of school district or college facilities such as tennis courts and swimming pools.¹

Lieberman names forms of fringe benefits received by teachers in other countries. Free medical treatment and medicines are granted to teachers who need these services in Sweden. If they are disabled and cannot work, teachers receive from 70 to 85 per cent of their salary. The New Zealand government grants liberal allowances to prospective teachers during their teacher training.²

Kindred lists some of the purposes of an adequate fringe benefit program:

1. To increase staff efficiency in carrying out the philosophy and objectives of the school system.
2. To provide employment conditions which facilitate the performance of duties and responsibilities.
3. To establish a physiological climate that promotes continuing cooperation on the part of staff personnel.
4. To protect and enhance the mental and physical health of professional workers.
5. To eliminate annoyances and worries which interfere with the efficient performance of services.
6. To create a strong sense of security on the part of professional personnel.
7. To improve the social status of staff members in the community.
8. To bring out each individual's potential for profes-

¹ Ibid., p. 527.

² Myron Lieberman, Education as a Profession (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1956), p. 383.

- sional growth and development.
9. To develop a fine esprit de corps among staff members of the school system.
 10. To promote friendly relationships among all classes of professional workers.
 11. To attract high-grade young people into teaching and to hold experienced and capable teachers in service.
 12. To increase the amount of satisfaction individual staff members derive from their employment.¹

The National Education Association suggests some advantages of fringe benefits as part of teacher compensation. Since many benefits are not classified as earned income, they are usually not subject to state or federal income taxes.²

Benefits may be obtained at a much lower cost because of group purchasing.³

Group insurance plans generally have a guaranteed issue factor. Therefore, a member of the particular group has a right to purchase the benefit at the low group rates, no matter how poor a risk he may be.⁴

¹Kindred, op. cit., pp. 5-6.

²"Negotiating Fringe Benefits," op. cit., p. 2.

³Ibid.

⁴Ibid.

I. GROUP INSURANCE BENEFITS

Income Protection Insurance. The purpose of this benefit is to guard the employee from loss of income due to illness or disability which would not permit him to perform his usual work. This type of insurance is designed to aid the employee with a long-term disability. A long-term disability is generally defined as a disability lasting more than six months.

One out of every six employees who are currently thirty-five years of age will be disabled for more than six months prior to his reaching age sixty-five.¹ The average length of this long-term disability will last from four to five years.² The chance of being disabled for six months or more prior to age thirty-five is nearly as great as those for death prior to age sixty-five.³

A majority of income protection plans have a waiting period before insurance benefits commence. This waiting period may be stated in terms of calendar days or working days.

The income protection plan chosen for a group of employees should relate to the amount of sick leave offered.

A strong income protection coverage is needed by

¹Faust, op. cit., p. 22.

²Ibid.

³Ibid.

employees with a weak sick leave program.¹ For an example, if an employee could accumulate no more than sixty days of sick leave, he would not have adequate protection if the waiting period for his income protection coverage was six months. Perhaps an income protection plan with a waiting period of sixty, or ninety days would be satisfactory with the sick leave program previously referred to.

The cost of income protection insurance depends upon the composition of the group being insured. Such factors as age, sex and salaries of the group members are considered. Cost also varies according to the length of waiting period chosen, the amount of benefits to be received, and the age to which benefits are to continue.

According to the National Education Association, desirable coverage would supplement benefits available from social security benefits or a state plan, where applicable, so that the employee would receive 75 per cent of his salary to normal retirement age.²

Employees are becoming increasingly aware of the value of income protection, or disability insurance as the cost of living continues to increase. Many would consider it to be of more importance than life insurance.

¹ "Negotiating Fringe Benefits," op. cit., p. 4.

² National Education Association, Guidelines to Fringe Benefits for Members of the Teaching Profession (Washington, D. C.: The Association, 1969), p. 13.

Group Health Insurance. The purpose of health and accident insurance is to provide the employee and his family with adequate health services without endangering his financial position. As costs of hospitalization and medical treatment increase, this insurance becomes more essential.

The National Education Association describes health insurance as follows:

Health insurance plans commonly consist of a combination of basic hospitalization and surgical insurance plus major medical insurance. The basic coverage pays the full amount of in-hospital costs and surgical fees and charges up to specified limits. Major medical insurance covers additional expenses for hospitalization and surgery as well as various other medical costs. Major medical coverage is provided on a deductible co-insurance basis, according to which the insurance covers a percentage of expenses above the deductible amount. These policies also carry a maximum limit on the benefits receivable for one illness.¹

Because of the many different plans available from companies offering health insurance, these plans are difficult to compare. Consideration should be given to the reputation of the company, and if possible, a study made of actual payments granted by the various companies for similar claims.

Life Insurance. The purpose of this type of insurance is to provide the dependents of the employee financial security in the event of his death.

¹Ibid., p. 18.

Van Zwoll states that 82 per cent of factory workers and 92 per cent of office workers are covered by some type of group life insurance.¹ However, this same type of life insurance is found in fewer than one-half of the public school districts.²

Almost 100 per cent of the group life insurance in force in the United States is term life insurance.³ This kind of insurance is the cheapest available. It builds up no cash or paid-up value, and is terminated as soon as premiums are not paid.

It is desirable if the employee may have the option of converting this life insurance to an individual policy at his retirement. Or, in some groups the employee may continue to belong to the group plan after retirement, if he pays his own premiums.

II. LEAVES OF ABSENCE

Sick leave. The purpose of this benefit is to protect the employee from loss of income due to a short-term illness or disability.

Provisions for sick leave vary considerably from

¹James A. Van Zwoll, School Personnel Administration (New York: Appleton-Century-Crofts, 1964), p. 353.

²Howard, loc. cit.

³"Negotiating Fringe Benefits," op. cit., p. 3.

state to state. The median number of days granted annually in districts of all sizes is twelve.¹ The range from lowest to highest is five in some states to eighteen in Hawaii.²

There is also a great deal of variation in the number of days allowed to accumulate. Kentucky, Vermont and West Virginia allow twenty days, Washington allows 180 days, and California, Hawaii and New Jersey allow the employee to accumulate an indefinite number.³

Eleven states allow the local boards of education to exceed the sick leave benefits required by state law.⁴ Also the courts have ruled that local boards may develop appropriate rules and regulations regarding sick leave and other leaves of absence, where there is an absence of state legislation on the subject.⁵

Sick leave is especially important to teachers. They are not only subject to the common adult ailments, but are exposed to many childhood diseases.⁶

Studies have shown that school districts providing unlimited annual sick leave experience less per capita use of sick leave benefits than do districts with limited leave.⁷

¹Ibid., p. 5. ²Ibid. ³Kindred, op. cit., p. 59.

⁴Ibid. ⁵Ibid.

⁶"Negotiating Fringe Benefits," op. cit., p. 7.

⁷Ibid.

Bereavement leave. The purpose of this benefit is to protect the employee against loss of salary when a death in the family causes absence from work.

Usually three to five days are granted for a death in the immediate family. Mother, father, husband, wife, son, daughter, brother, sister, or any person with whom the teacher has lived for a period of time are considered to be immediate family.¹

Generally, one day of leave is allowed for a near relative. Kindred defines a near relative as a first cousin, grandparent, aunt, uncle, niece, nephew, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law, or a grandchild.²

Personal leave. The purpose of this benefit is to protect the employee from loss of income when he needs to be absent from work for personal reasons not covered by other leaves.

According to the National Education Association guidelines, a teacher should receive at least three days annually.³ The teacher should be permitted to use his own discretion in determining when a personal leave is needed.

¹Kindred, op. cit., p. 70.

²Ibid.

³Guidelines to Fringe Benefits for Members of the Teaching Profession, op. cit., p. 12.

Emergency leave. The purpose of this leave is to grant the employee paid leave in the event an unanticipated emergency requires his absence from work.

O'Malley writes that emergency leave may cover such situations as, a quarantine order of the Health Department, serious illness of a member of the employee's immediate family requiring the personal care of that member by the employee.¹ This would be helpful particularly to teachers who have children who become ill. However, usually this leave is granted for this purpose only if the teacher is the sole support of the family.²

Many school districts combine personal leave and emergency leave into one benefit. Districts may also require that the time granted for these leaves be deducted from the teachers sick leave.

Sabbatical leave and reimbursement for professional study and travel. Sabbatical leave has been frequently offered in higher education. It is now becoming increasingly available for elementary and secondary school teachers.

¹ Rosemary McLaughlin O'Malley, "A Comparison of Fringe Benefits Offered Educational Personnel in Selected School Systems and Personnel in Various Private Industries in Illinois" (unpublished Master's thesis, Loyola University, Chicago, 1968), p. 42.

² Ibid., p. 43.

Two states, Pennsylvania and Louisiana, require by statute that school districts provide their eligible teachers with sabbatical leave for study, travel or health reasons. They require that one-half salary be granted during the leave.¹

Several other states have permissive legislation regarding sabbatical leave. Also, in most states it would be legal for school districts to provide this benefit.²

The following guidelines for professional sabbatical leave have been recommended by the National Education Association:

1. Teachers must have rendered service in the district for seven consecutive years before being eligible for the extended professional improvement leave.
2. Members of teachers on leave for study and travel are limited to one per cent of the professional staff.
3. Applications outlining the plans of the teachers for the periods of absence must be submitted to the superintendent for consideration, suggestion, and approval.
4. Some part of the regular salary but not exceeding a specified amount is to be paid during the year of leave.
5. The teacher retains seniority, retirement, and tenure rights as if he were in regular employment.
6. The teacher is required to prepare and submit to the superintendent monthly and final reports describing the work or travel and the benefits received.
7. The teacher agrees to return to service for a period of three years following the leave or must return all or part of the amount received from the board

¹"Negotiating Fringe Benefits," op. cit., p. 6.

²Ibid.

of education while on leave.¹

Many districts also allow their teachers to attend professional meetings or conferences without loss of pay. Gibson lists the following considerations when deciding upon leave for professional meetings:

1. Will the meeting benefit the school system?
2. Is the meeting's subject field appropriate to the assignment of the individual?
3. Is the location convenient?
4. Has the opportunity to attend meetings been fairly distributed among the staff?
5. Is the person who is to attend the meeting a member of the sponsoring organization?²

Professional leave may also be granted to a teacher who wishes to observe some other teacher work, usually in another district.

In conclusion, Chapter II has been devoted to a review of the literature written about fringe benefits, with particular emphasis on benefits granted to some members of the teaching profession.

¹ Oliver R. Gibson and Herold C. Hunt, The School Personnel Administration (Boston: Houghton Mifflin Company, 1965), p. 309.

² Ibid., p. 308.

CHAPTER III

PRESENTATION OF THE STUDY

This study is a survey of the teachers of Story County, Iowa to determine what fringe benefits are preferred by them. It was felt by this investigator that often school board members distrust the information given them by teacher association salary committees, and often rely on their personal acquaintances with a few teachers in forming their opinion as to what most teachers desire for salary and fringe benefits.

The investigator studied current literature in order to determine what fringe benefits are currently being offered to teachers and what the trends seem to be. From this literature, the investigator formulated a questionnaire incorporating various types of fringe benefits. This instrument was open-ended for possible additional listings, and was limited to two pages for ease in completing.

This questionnaire was given to a group of twenty-eight elementary and secondary teachers for validation. The instrument was also validated by Dr. Jack Jones and Dr. Richard Lampshire. After validation, a final questionnaire was developed. A list of the Story County teachers was obtained from the Story County Superintendent of Schools. Every third teacher was selected for a sample. A question-

naire, an explanatory letter, and a stamped self-addressed envelope were mailed to the teachers selected. The questionnaires returned were analyzed and tabulated.

The results of the questionnaire are presented in this chapter.

The questionnaire listed ten fringe benefits; a short explanation of each item was given. The teachers were asked to rate the fringe benefits according to their present value to them if they now had the benefit, or their potential value if they were to be offered this benefit sometime in the future.

The samples selected were to rate these items according to the following four point numerical scale; one--extremely valuable; two--considerable value; three--some value; four--practically no value. All ten of these items were to be answered by circling the appropriate numeral listed in the right-hand margin. Following this, blank lines were provided with the instructions to list and rate any other fringe benefits they considered to be of value to them. The last item on the instrument asked the teacher to list the SINGLE most important fringe benefit they wished they had, or did have.

Identifying data was asked of the samples as to their sex--male or female; their principal area of teaching--elementary or secondary; and their years of teaching experi-

ence.

The questionnaire used, and the explanatory letter, are contained in the Appendix of this report.

Benefits preferred by elementary teachers. Table I shows the ratings given the various items by elementary teachers who returned the questionnaire. There were seventy-five elementary teachers who returned the questionnaire.

The benefit receiving the most number one ratings was item two; group health insurance for the employee. Seventy-five elementary teachers rated this item and fifty, or 67 per cent of these felt it was extremely valuable.

Another important benefit to this group of teachers was item six; bereavement leave. Seventy-four teachers rated this item and sixty-five of these, or 88 per cent felt it was of extreme value, or considerable value.

Item one--income protection insurance--was rated very high by this group. Seventy-three teachers rated this item and fifty-seven, or 78 per cent felt it was extremely valuable or of considerable value.

In regard to the last item on the questionnaire--list the most important fringe benefit to your financial security you wish you had, or do have--twenty-three elementary teachers listed group health insurance for the employee; twelve listed item three--group health insurance for the

TABLE I

FRINGE BENEFITS PREFERRED BY ELEMENTARY
PUBLIC SCHOOL TEACHERS IN
STORY COUNTY, IOWA

Fringe Benefits	Extremely Valuable		Considerable Value		Some Value		Practically No Value	
	No.	Per Cent	No.	Per Cent	No.	Per Cent	No.	Per Cent
Income Protection Insurance	31	42	26	36	13	18	3	4
Health Insurance For Employee	50	67	15	20	3	4	7	9
Health Insurance For Employee and Dependents	33	47	17	24	8	11	12	17
Life Insurance for Employee	16	22	25	34	22	30	10	14
Unlimited Accumulation of Sick Leave	40	54	17	23	16	22	1	1
Bereavement Leave	38	51	27	36	8	11	1	1
Personal Leave	16	23	33	46	20	28	2	3
Emergency Leave	19	27	30	42	21	30	1	1
Reimbursement for Study and Travel	21	29	21	29	22	31	8	11
Sabbatical Leave	22	30	21	29	17	23	13	18

employee and his dependents--and nine listed item one-- income protection insurance.

Benefits preferred by secondary teachers. Table II shows the rating made by secondary teachers who returned the questionnaire.

Like the elementary group, most teachers in this group rated item two as extremely valuable. Sixty-seven or 89 per cent, felt group life insurance for the employee was extremely valuable or of considerable value.

Sixty-one or 77 per cent, gave group health insurance for employee and his dependents a number one or two rating.

Sixty, or 77 per cent, gave income protection insurance a one or two rating.

When asked to list the single most important fringe benefit, thirty-four teachers listed group health insurance for employee; eighteen listed group health insurance for employee and dependents; and sixteen listed income protection insurance.

Benefits preferred by female teachers. Table III shows the fringe benefits as they were rated by all female teachers who returned the instrument.

Eighty-eight or 88 per cent, gave bereavement leave a one or two rating.

Eight-four or 84 per cent, rated group health insur-

TABLE II

FRINGE BENEFITS PREFERRED BY SECONDARY
PUBLIC SCHOOL TEACHERS IN
STORY COUNTY, IOWA

Fringe Benefits	Extremely Valuable		Considerable Value		Some Value		Practically No Value	
	No.	Per Cent	No.	Per Cent	No.	Per Cent	No.	Per Cent
Income Protection Insurance	31	40	29	37	10	13	8	10
Health Insurance For Employee	59	78	8	11	5	7	4	5
Health Insurance for Employee and Dependents	41	52	20	25	11	14	7	9
Life Insurance for Employee	24	32	19	25	25	33	8	11
Unlimited Accumulation of Sick Leave	42	55	15	19	14	18	6	8
Bereavement Leave	33	43	29	38	9	12	6	8
Personal Leave	27	34	27	34	23	29	2	3
Emergency Leave	29	37	29	37	19	24	1	1
Reimbursement for Study and Travel	27	34	28	35	18	23	6	8
Sabbatical Leave	24	31	28	36	16	21	10	13

TABLE III

FRINGE BENEFITS PREFERRED BY FEMALE
PUBLIC SCHOOL TEACHERS IN
STORY COUNTY, IOWA

Fringe Benefits	Extremely Valuable		Considerable Value		Some Value		Practically No Value	
	No.	Per Cent	No.	Per Cent	No.	Per Cent	No.	Per Cent
Income Protection Insurance	39	39	34	34	19	19	7	7
Health Insurance for Employee	66	66	18	18	7	7	9	9
Health Insurance for Employee and Dependents	40	41	27	28	14	14	17	17
Life Insurance for Employee	21	21	29	29	33	33	16	16
Unlimited Accumulation of Sick Leave	53	52	23	23	22	22	3	3
Bereavement Leave	47	47	41	41	9	9	4	4
Personal Leave	26	26	46	46	26	26	3	3
Emergency Leave	27	27	43	43	28	28	1	1
Reimbursement for Study and Travel	28	28	31	31	30	30	10	10
Sabbatical Leave	24	24	35	35	23	23	16	16

ance for the employee as one or two.

The third rated benefit with female teachers was unlimited accumulation of sick leave, with income protection as fourth.

Forty-one female teachers named group health insurance for the employee as the single most important benefit.

Fifteen named health insurance for the employee and his dependents as the most important, and thirteen listed income protection.

Benefits preferred by male teachers. Table IV shows the way in which male teachers responded to the questionnaire.

Group health insurance for the employee received a one or two rating from 94 per cent; group health insurance for the employee and his dependents was rated one or two by 87 per cent; and income protection was thought to be extremely valuable, or of considerable value, by 86 per cent.

Sixteen male teachers listed health insurance for the employee as the single most important item, while fifteen named health insurance for employee and dependents, and twelve named income protection.

Fringe benefits preferred by teachers according to years of teaching experience. Table V lists the preferences

TABLE IV

FRINGE BENEFITS PREFERRED BY MALE
PUBLIC SCHOOL TEACHERS IN
STORY COUNTY, IOWA

Fringe Benefits	Extremely Valuable		Considerable Value		Some Value		Practically No Value	
	No.	Per Cent	No.	Per Cent	No.	Per Cent	No.	Per Cent
Income Protection Insurance	23	46	20	40	3	6	4	8
Health Insurance for Employee	43	86	4	8	1	2	2	4
Health Insurance for Employee and Dependents	34	67	10	20	5	10	2	4
Life Insurance for Employee	19	37	15	29	15	29	2	4
Unlimited Accumulation of Sick Leave	29	58	9	18	8	16	4	8
Bereavement Leave	24	48	15	30	8	16	3	6
Personal Leave	17	33	17	33	17	33	1	2
Emergency Leave	21	41	17	33	12	24	1	2
Reimbursement for Study and Travel	20	38	18	35	10	19	4	8
Sabbatical Leave	21	40	14	27	10	19	7	13

TABLE V

FRINGE BENEFITS PREFERRED BY PUBLIC SCHOOL TEACHERS
IN STORY COUNTY, IOWA, ACCORDING TO
YEARS OF TEACHING EXPERIENCE

Fringe Benefits	Yrs. of Exp.	Extremely Valuable		Considerable Value		Some Value		Practically No Value	
		No.	Per Cent	No.	Per Cent	No.	Per Cent	No.	Per Cent
Income Protection Insurance	1-5	20	34	24	41	8	14	7	12
	6-10	17	53	9	28	5	16	1	3
	11-15	8	42	10	53	1	5	0	0
	over 15	18	46	10	26	8	21	3	8
Health Insurance for Employee	1-5	44	73	8	13	3	5	5	8
	6-10	20	61	8	24	3	9	2	6
	11-15	19	100	0	0	0	0	0	0
	over 15	26	67	7	18	2	5	4	10
Health Insurance for Employee and Dependents	1-5	27	45	19	32	5	8	10	17
	6-10	13	39	10	30	5	15	5	15
	11-15	15	79	1	5	3	16	0	0
	over 15	18	47	8	21	6	16	4	11
Life Insurance for Employee	1-5	9	15	19	31	21	34	12	20
	6-10	9	28	13	41	8	25	2	6
	11-15	7	37	5	26	6	32	1	5
	over 15	15	39	7	18	13	34	3	8
Unlimited Accumulation of Sick Leave	1-5	27	44	14	23	18	30	2	3
	6-10	16	50	9	28	5	16	2	6
	11-15	12	63	5	26	2	11	0	0
	over 15	27	69	4	10	5	13	3	8
Bereavement Leave	1-5	32	52	22	36	6	10	1	2
	6-10	13	41	15	47	2	6	2	6
	11-15	7	37	7	37	4	21	1	5
	over 15	19	49	12	31	5	13	3	8
Personal Leave	1-5	18	31	25	43	12	21	2	3
	6-10	8	25	12	38	10	31	2	6
	11-15	6	32	6	32	7	37	0	0
	over 15	10	25	17	43	13	33	0	0

TABLE V (continued)

Fringe Benefits	Yrs. of Exp.	Extremely Valuable		Considerable Value		Some Value		Practically No Value	
		No.	Per Cent	No.	Per Cent	No.	Per Cent	No.	Per Cent
Emergency	1-5	21	35	25	42	14	23	0	0
	6-10	10	31	14	44	7	22	1	3
	11-15	6	32	6	32	7	37	0	0
	over 15	10	26	15	39	12	32	1	3
Reimbursement for Study and Travel	1-5	24	39	20	33	13	21	4	7
	6-10	10	32	8	26	12	39	1	3
	11-15	6	30	7	35	5	25	2	10
	over 15	8	21	13	33	10	26	7	18
Sabbatical Leave	1-5	18	30	24	39	8	13	11	18
	6-10	10	30	11	33	8	24	4	12
	11-15	6	30	4	20	6	30	4	20
	over 15	11	29	12	32	11	29	4	11

of teachers with one to five, six to ten, eleven to fifteen, and over fifteen years of teaching experience.

In regard to teachers with one-five years of experience, health insurance for employee was rated as extremely valuable by 73 per cent. Life insurance for employee and sabbatical leave were given the least value by this group.

Health insurance for the employee was given the most one ratings by the six to ten group, sabbatical leave received the most four ratings; 12 per cent.

The group of teachers with eleven to fifteen years of experience also gave health insurance for the employee the most number one ratings.

Unlimited accumulation of sick leave was given the most number one ratings by teachers with over fifteen years of experience.

Summary of questionnaire. Table VI shows how all teachers responded to the questionnaire.

Health insurance for the employee received the most one ratings with 109, or 72 per cent. This item received either a one or two rating from 87 per cent.

Unlimited accumulation of sick leave was felt to be extremely valuable by eighty-two teachers, or 54 per cent. Seventy-five per cent rated this item either one or two. Bereavement leave and income protection also received a large number of one or two ratings.

TABLE VI

FRINGE BENEFITS PREFERRED BY PUBLIC
SCHOOL TEACHERS IN STORY
COUNTY, IOWA

Fringe Benefits	Extremely Valuable		Considerable Value		Some Value		Practically No Value	
	No.	Per Cent	No.	Per Cent	No.	Per Cent	No.	Per Cent
Income Protection Insurance	62	41	55	36	23	15	11	7
Health Insurance for Employee	109	72	23	15	8	5	11	7
Health Insurance for Employee and Dependents	74	50	37	25	19	13	19	13
Life Insurance for Employee	40	27	44	30	47	32	18	12
Unlimited Accumulation of Sick Leave	82	54	32	21	30	20	7	5
Breavement Leave	71	47	56	37	17	11	7	5
Personal Leave	43	29	60	40	43	29	4	3
Emergency Leave	48	32	59	40	40	27	2	1
Reimbursement for Study and Travel	48	32	49	32	40	26	14	9
Sabbatical Leave	46	30	49	32	33	22	23	15

The question that asked the teachers to list the single most important fringe benefit to them received the following responses:

<u>Fringe Benefit</u>	<u>No.</u>
Income protection insurance	25
Health insurance for employee	57
Health insurance for employee and dependents	30
Life insurance for employee	5
Unlimited accumulation of sick leave	10
Bereavement leave	2
Personal leave	3
Emergency leave	2
Reimbursement for study and travel	3
Sabbatical leave	2
Transfer of sick leave	3
Tax sheltered annuities	1

The open-ended question that asked the teachers to list other fringe benefits important to them included the following replies:

<u>Fringe Benefit</u>	<u>No.</u>
Better retirement	5
Full transfer of credit for teaching experience	2
Teacher aides	2
Extra salary for non-teaching duties	2

(continued)

<u>Fringe Benefit</u>	<u>No.</u>
Tax sheltered annuities	1
Sick benefits paid to wife at death	1
Paid medical examination	1
Set sum of money for teachers to spend in the classroom	1
Transfer of sick leave	1
Mileage for traveling to purchase supplies	1
Optional pension other than IPERS	1
Payment of expenses to national convention	1
Lunchroom supervisors	1
College tuition	1
Reimbursement of unused sick leave on date of separation or retirement	1

CHAPTER IV

SUMMARY AND CONCLUSIONS

The purpose of this study was to determine what fringe benefits the public school teachers of Story County, Iowa felt to be the most important to their financial welfare.

The review of literature listed many of the fringe benefits becoming available to teachers. The majority of these come under the group insurance plans and the various leaves of absence from work with pay.

I. SUMMARY OF FINDINGS

Comparison of benefits preferred by elementary and secondary school teachers. Health insurance for the employee was the benefit that received the most high ratings from both elementary and secondary teachers. Seventy-eight per cent of elementary teachers, and 89 per cent of secondary teachers rated this item as extremely valuable, or of considerable value. The item with the second highest rating from elementary teachers was bereavement leave, while secondary teachers chose health insurance for the employee and his dependents. Both of these groups gave income protection the third highest rating of the benefits listed.

A comparison of benefits preferred by female and male

teachers. Bereavement leave was the most preferred benefit by female respondents, while male respondents preferred health insurance for the employee. Bereavement leave was given a number one or two rating by 88 per cent of the female group. Ninety-four per cent of the male group gave health insurance for the employee a one or two rating. The second choice for the female teachers was health insurance for the employee; for the male group it was health insurance for the employee and his dependents.

Unlimited accumulation of sick leave was the third most popular benefit with the female group. Income protection insurance was the third item of popularity with male teachers.

II. CONCLUSIONS

This study indicates that the great majority of the teachers surveyed place a very high priority on fringe benefits.

The group insurance plans that provide protection from loss of income due to illness or disability, as well as health insurance, are considered to be of extreme value, or of considerable value by over three-fourths of the teachers responding.

Female teachers placed a higher priority on sick leave than did male, but the latter group was more concerned

with long-term protection from income protection insurance. However, the majority of respondents recognized the importance of both of these items.

Of the ten items listed, every one was thought to be of some value by 85 per cent of the teachers, or more. This would seem to indicate that educators are going to ask for equal fringe benefits similar to those received in government and industry. If granted, this should be beneficial in recruiting well qualified individuals into the teaching profession, and better education programs would be the result.

III. RECOMMENDATIONS

This investigator recommends that school district personnel administrators be surveyed to determine what fringe benefits are most helpful to them in the recruitment of personnel.

Data could also be collected in regard to what benefits are actually being offered at the present time by school districts.

A survey of teachers designed to determine whether they place more value on fringe benefits, salary, or working conditions could also be helpful.

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APPENDIXES

APPENDIX A

Box 171
Colo, Iowa 50056
January 23, 1970

Dear Teacher:

During the past two years, I have served on teacher association salary committees. As a result of this experience, I have become interested in the area of fringe benefits for teachers.

The enclosed questionnaire is intended to aid teacher representative salary committees and also boards of education in determining which fringe benefits are the most important in recruiting and holding good teachers. This questionnaire will be used in a field report required for the Master of Science in Education degree at Drake University.

Although more needs to be done, the teaching profession in Iowa has made great accomplishments in the area of salaries in recent years. However, education employees lag far behind industrial workers in tax sheltered income by way of employer paid fringe benefits.

The enclosed questionnaire will take about five minutes of your time. Your completion and return will be greatly appreciated. A stamped, self-addressed envelope is enclosed.

Thank you for your cooperation. I will be happy to provide you with the results of this study if you request. All replies will be treated as confidential.

Sincerely yours,

John Mathre

Encl.

APPENDIX B

QUESTIONNAIRE

PLEASE RESPOND TO EACH ITEM BY CIRCLING THE
APPROPRIATE NUMBER IN THE COLUMNS AT THE RIGHT.

Sex

1--Male 2--Female 1 2

Principle area of teaching

1--Elementary 2--Secondary 1 2

Years of teaching experience

1--1-5 2--6-10 3--11-15 4--over 15 1 2 3 4

EMPLOYER PAID FINANCIAL FRINGE BENEFITS

PLEASE RATE THE FOLLOWING FRINGE BENEFITS
ACCORDING TO THEIR PRESENT OR POTENTIAL
FINANCIAL VALUE TO YOU BY CIRCLING THE
APPROPRIATE NUMBER AT THE RIGHT OF THE
STATEMENT.

- 1--Extremely valuable
2--Considerable value
3--Some value
4--Practically no value

1. Income Protection Insurance 1 2 3 4
The purpose of this benefit is to pro-
tect the employee against loss of income due
to a long term disability resulting from ill-
ness or accident.

2. Group Health Insurance for employee 1 2 3 4
The purpose of this benefit is to pro-
vide the employee with insurance that would
pay for basic hospitalization and surgical
expenses, and major medical insurance which
would provide coverage for services beyond
the basic coverage.

3. Group Health Insurance for employee and his dependents 1 2 3 4
This benefit would provide employer paid Health Insurance as listed in item two for the employee and his family.
4. Group Life Insurance for employee 1 2 3 4
The purpose of this benefit is to help the employee provide financial security for his dependents in the event of his death.
5. Unlimited Accumulation of Sick Leave 1 2 3 4
The purpose of this benefit is to enable the employee to accumulate his annual unused sick leave allowance, thereby giving him further protection from loss of income in future years.
6. Bereavement Leave 1 2 3 4
The purpose of this benefit is to protect the employee from loss of income in case it is necessary for him to be absent from work because of death in his immediate family.
7. Personal Leave 1 2 3 4
The purpose of this benefit is to protect the employee from loss of income when he deems it necessary to be absent from work for personal reasons not covered by other leave provisions.
8. Emergency Leave 1 2 3 4
The purpose of this benefit is to protect the employee from loss of income in the event of an unanticipated emergency which would prevent him from going to work.
9. Reimbursement for professional study and travel through payment of tuition and other expenses 1 2 3 4
This benefit would compensate the employee for his expenses incurred while he was engaged in study or travel that would enhance his professional competence.

10. Sabbatical Leave

The purpose of this benefit is to provide the employee with an opportunity to devote an entire school year to study, travel, research, or work experience, at 50 to 100 per cent of his regular salary.

1 2 3 4

List and rate other financial fringe benefits of value to you.

1 2 3 4

1 2 3 4

List the SINGLE most important financial fringe benefit for your financial security you wish you had, or do have.
